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Mr. K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No. 97-00888 (Universal Service Proceeding)
Sprint's Comments on CMRS contributions

Dear Mr. Waddell:

Pursuant to a Notice of Filing dated April 20, 2001, the Tennessee Regulatory Authority sought comments on whether the Authority may request revenue information from, and ultimately require contributions to the intrastate universal service fund by Commercial Mobile Radio Service Providers. The following are the joint comments of United Telephone-Southeast, Inc. and Sprint Communications Company L.P. (jointly "Sprint") and include consideration of Sprint's wireless carrier, Sprint PCS, regarding this issue.

Issue: May the TRA request revenue information from, and ultimately, require contributions to the intrastate universal service fund ("USF") by Commercial Mobile Radio Service ("CMRS") Providers?

Sprint Comment: Sprint believes that CMRS wireless providers should not contribute to an intrastate USF. In order to fund the Tennessee USF, the TRA in its Interim Order dated May 20, 1998 proposed to impose an assessment on the intrastate revenues of all telecommunications service providers, including incumbent local exchange carrier, interexchange carriers, and wireless carriers, as permitted under T.C.A. 65-5-207. Sprint believes the TRA should revisit its decision to assess wireless carriers for the following reasons.

Under Tennessee law, the TRA has the discretion not to require wireless carriers to contribute to the proposed USF program. Specifically, T.C.A. section 65-5-207 states that the TRA will require all "telecommunications service providers" to contribute to the support of universal service. This term is defined in T.C.A. Section 65-4-101 to mean "any incumbent local exchange telephone company or certificated individual or entity...". Wireless providers

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are not certificated or otherwise regulated by the TRA and thus there is no state requirement to include wireless carriers for assessment purposes.

Sprint urges the TRA to be mindful also of the Senate Joint Resolution 134. In this resolution, "The members of the General Assembly of the state of Tennessee recognize the need for Tennesseans to have access to clear, uninterrupted, and high quality wireless telecommunications service throughout the State". The General Assembly is calling for a study by the TRA to, among other things, examine the costs of erecting towers in rural and low-population areas and to evaluate the opportunity for public/private partnerships to facilitate increased wireless coverage in these areas of Tennessee. Raising wireless carriers' costs through USF assessments appears to be in opposition to the direction of the Senate's resolution. Further, increases in wireless rates and/or additional surcharges to wireless consumers could dampen consumers desire to subscribe to this discretionary service, again in the opposite direction laid out by the Senate Resolution.

In determining the providers who should contribute to the state Universal Service Fund, the TRA has not suggested that internet service providers (ISPs) should participate even though the Internet is among the most rapidly developing communications alternative to wireline service. Nor, for example, would the TRA's proposed contribution requirement apply to cable operators and their expanding telecommunications offerings. Therefore, wireless carriers should not be singled out among alternative providers to contribute to the state USF.

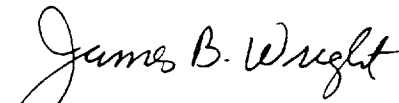
Should the TRA determine that the wireless carriers should make a contribution to the state USF, Sprint urges the Authority to consider exclusion of two types of wireless revenues. First, mobile-to-mobile call revenues should be excluded from the revenue assessment base since these calls do not rely on nor utilize the network facilities of the state USF.¹ Second, land-to-mobile call revenues should be excluded from the assessment base. Since the landline subscriber revenues will be assessed to the wireline carrier, the additional assessment of the wireless provider could double assess these revenues.

¹ Recognizing that "a portion of the [wireless industry's] minutes is originated and terminated entirely over the wireless network," the State Corporation Commission of the State of Kansas in 1998 for this reason reduced wireless carriers' state USF assessments by 5.03%, and it recently adjusted this reduction to 9.69%. See Staff Report and Recommendation Regarding Wireless Providers' KUSF Assessment, Docket No. 00-GIMT-236-GIT, at 1 (September 15, 2000); Order, Docket No. 00-GIMT-236-GIT (December 4, 2000).

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Please contact me or Laura Sykora (919-554-7323) if you have any questions.

Sincerely,


James B. Wright

Enclosure

cc: Dennis Wagner
Laura Sykora
Kaye Odum
Tom Sokol
Parties of Record

CERTIFICATE
Universal Service Fund
(Docket No. 97-00888)

The undersigned hereby certifies that a copy of the Comments of Sprint filed in the above docket is being provided to each of the following, by hand delivery, by overnight air express, or placing a copy of the same in the United States Mail postage prepaid and addressed as follows:

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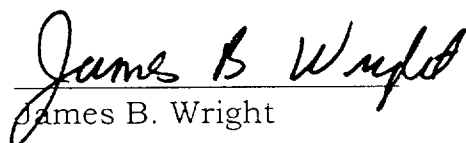
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This 11th day of May, 2001


James B. Wright